

ITV COMMERCIAL

Glossary of Airtime Contract Terms

Introduction

The terms defined in this Glossary of Airtime Contract Terms (the "**Glossary**") shall be deemed incorporated into:

- i. the Deal Arrangements;
- ii. the Deal Conditions at the following URL: <http://www.itvmedia.co.uk/legal/dealconditions2017> ;
in respect of all Broadcasters except the STV Broadcasters, the Broadcaster's standard airtime sales terms and conditions set out at the following URL: <http://www.itvmedia.co.uk/legal/broadcasterstermsandconditions2017> ; and
- iii. in respect of the STV Broadcasters only, the STV Broadcasters' standard airtime sales terms and conditions set out at the following URL: <http://www.itvmedia.co.uk/legal/stvbroadcasterstermsandconditions2017> .

All demographic grouping abbreviations (ABC1, HWCH etc.) shall have the meaning applied to them by BARB. Such definitions are hereby incorporated into this Glossary and the agreements and terms and conditions referred to above for airtime sales entered into by ITV Commercial or a Broadcaster.

Defined Terms:

Aberdeen: means the north geographical transmission Part Area of STV North designated "aberdeen";

Act: means the Broadcasting Acts 1990 and 1996, the Communications Act 2003 and any amendments thereto or any superseding legislation;

Actual Delivery: means the actual TVRs delivered by the relevant Broadcasters under a Booking Agreement as reported by BARB;

Adjudicator: means the adjudicator appointed pursuant to the Undertakings;

Advance Booking Deadline or **ABD:** means the relevant date from the list of dates published by ITV Commercial from time to time on its website at www.itvmedia.co.uk, (or such other deadline as is agreed between an Advertiser or Agency on the one hand and a Broadcaster on the other hand) by which the Agency or Advertiser is required to make its Booking;

Advertisement: means any item of Advertising intended for broadcast incorporating Advertisement Copy in respect of which Airtime has been sold and which has been accepted for transmission in accordance with the Broadcaster Terms and Conditions;

Advertisement Copy: means any material for an Advertisement provided by or on behalf of the Advertiser or Agency and intended for transmission by the Broadcaster;

Advertiser: means a person, firm or company wishing to advertise;

Advertising: shall have the same meaning as it has for the purposes of the codes and regulations from time to time of Ofcom;

Adults: means "Adults" as defined by BARB;

Adults 16-24: means all Adults between the ages of 16 and 24 inclusive;

Adults 16-34: means all Adults between the ages of 16 and 34 inclusive;

Adults ABC1: means all Adults that fall within the socio-economic grade "ABC1";

Affected Party: shall have the meaning set out in clause 15.2 of the Broadcaster Terms and Conditions and the STV Broadcasters Terms and Conditions;

Agency: means an advertising agent or agency, being a person, firm or company carrying on business involving the selection and purchase of Airtime for an Advertiser;

Airtime: means Advertising airtime on Television (excluding any interactive element and sponsorship element);

Airtime Credits: means Buyer Airtime Credits and/or Broadcaster Airtime Credits;

Anglia: means ITV Broadcasting Limited, (Co. No: 955957), the holder of the Channel 3 Anglia television broadcast licence;

Anglia Area: means the geographical transmission Area of Anglia;

Anglia East: means the east geographical transmission Part Area of Anglia;

Anglia West: means the west geographical transmission Part Area of Anglia;

Approved Buyer: means a Buyer approved for credit by the Broadcaster (subject to any conditions which may be imposed by the Broadcaster) and **Non-approved Buyer** shall be interpreted accordingly;

Area: means any geographical transmission area of any of the Broadcasters;

ASA: means the Advertising Standards Authority or any superseding body;

BARB: means the Broadcasters Audience Research Board Limited or any superseding body;

Barter: means any Airtime or advertising space on Inhouse Channel which Broadcasters agree may be paid for otherwise than in cash or Contra;

Belmont: means the geographical transmission Part Area of Yorkshire designated "belmont";

Booking: means an offer from a Buyer set out in a Booking Form for the purchase of Airtime for Advertising from a Broadcaster;

Booking Agreement: shall have the meaning set out in clause 2.1 of the Broadcaster Terms and Conditions and the STV Broadcasters Terms and Conditions;

Booking Form: means the applicable standard form or such other means as determined by ITV Commercial to be used to make a Booking;

Booking Spend: means the amount of money due from a Buyer under a Booking Agreement;

Border: means ITV Broadcasting Limited, (Co. No: 955957), the holder of the Channel 3 border television broadcast licence;

Border Area: means the geographical transmission Area of Border;

Broad Demographics: means Adults, Housewives, Men and Women;

Broadcaster(s): means any of the following as specified in the Deal Arrangements or Booking Form (as appropriate) for whom ITV Commercial is the authorised sales agent: Anglia, Border, Channel, London Weekday, Central, STV North, Granada, London Weekend, Wales, West and South West, Meridian, STV Central, Tyne Tees, Yorkshire and UTV and any cable, satellite or digital broadcaster for which ITV Commercial is the authorised agent for the sale of Airtime (including without limitation ITV2 Limited, ITV DC, and ITV Breakfast Broadcasting Limited);

Broadcaster Airtime Credits: means the value of the number of TVRs (expressed as Station Price less any relevant discount or plus any relevant premium as appropriate) by which Actual Delivery to an Approved Buyer exceeds Deal Delivery;

Broadcast Revenue: means all actual expenditure (whether direct or indirect) in any form (whether in cash or in kind) by Included Clients or a Named Client or the Buyer (as specified in the Deal Arrangements) on Airtime and advertising space on Inhouse Channel during the Broadcast Revenue Period (including, for the avoidance of doubt, and without limitation, expenditure on Sky AdSmart) other than expenditure relating to any of the following: Excluded Clients, Excluded Brands, Excluded Business or new business which may be refused pursuant to Section 3 of the Deal Arrangements;

Broadcast Revenue Period: shall have the meaning set out in Section 2 of the Deal Arrangements;

Broadcast Station Price or BSP: means the price calculated for either (i) ITV Broadcasters; or (ii) ITV Breakfast using the following formula:

$$\frac{\text{ITV Total Revenue for ITV Broadcasters or ITV Breakfast} \div 0.85}{(\text{Ratecard Equivalent Impacts for the relevant Target Audience} \div 1000)}$$

Broadcaster Terms and Conditions: means a Broadcaster's (excluding the STV Broadcasters') standard airtime sales terms and conditions for Bookings as set out at the following URL:
<http://www.itvmedia.co.uk/legal/broadcasterstermsandconditions2017> ;

Buyer: means the person (which expression includes the firm or company) identified in the Deal Arrangements or the Booking Form (as appropriate);

Buyer Airtime Credits: means the value of the number of TVRs (expressed as Station Price less any relevant discount or plus any relevant premium as appropriate) by which Actual Delivery to an Approved Buyer is less than Deal Delivery;

Buyer Commission: means the discount applied to an invoice under the Broadcaster Terms and Conditions where the Buyer is a Registered Buyer;

Buyer Commitments: means the minimum commitments made by the Buyer in relation to Share of Broadcast Revenue and/or Volume Commitment as set out in the Deal Arrangements;

Buyer Spend: means the amount(s) in cash (less any Late Copy Surcharges, Late Booking Fees and late payment charges) actually paid by a Buyer (less any VAT applicable) to ITV Commercial (received on behalf of the Broadcasters) for Airtime during the Broadcast Revenue Period;

Calendar Year: means any period of 12 months commencing on 1st January;

Campaign: means all or part of the Airtime within a Booking which relates to a single burst of activity for a single product or service for a single promotional purpose;

Cancellation: means a cancellation of Airtime booked under any Booking Agreement following a request for the same by the Buyer;

Carlton Broadcasters: means London Weekday, Central, Wales and West and South West;

Carlton Broadcasting or Carlton: means ITV Broadcasting Limited (Co. No: 955957), the holder of the Channel 3 London weekday television broadcast licence;

Central: means ITV Broadcasting Limited, (Co. No: 955957), the holder of the Channel 3 central television broadcast licence;

Central Area: means the geographical transmission Area of Central;

Central East: means the east geographical transmission Part Area of Central;

Central West: means the west geographical transmission Part Area of Central;

Centre Break: means an Advertising break within a Television programme;

Channel 3: means the regional channel 3 service defined in the Act;

Channel: means Channel Television Limited (Co. No. FC025063);

Channel Area: means the geographical transmission Area of Channel;

Channels 2016 Broadcast Base Cost per Thousand: means the price calculated using the following formula:

$$\frac{\text{Channels 2015 Base Cost Per Thousand for the relevant month of 2015} \times \text{Channels Revenue Index 2016}}{\text{Channels Impacts Index 2016 (for the relevant Target Audience)}}$$

"Channels 2017 Broadcast Base Cost Per Thousand or CBBCPT": means the price calculated using the following formula:

Channels 2016 Base Cost Per Thousand for the relevant month of 2016 x Channels Revenue Index 2017
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Channels Impacts Index 2017 (for the relevant Target Audience)

Channels Revenue Index 2016: means the index calculated when the combined ITV Total Revenue of ITV2, ITV3, ITV4, ITV Encore and ITV Be. for a particular month in 2016 is divided by combined ITV Total Revenue of ITV2, ITV3, ITV4, ITV Encore and ITV Be. in the equivalent month in 2015;

Channels Impacts Index 2016: means the index for the relevant Target Audience calculated when the combined Impacts for ITV2, ITV3, ITV4, ITV Encore and ITV Be. for a particular month in 2016 are divided by the equivalent month in 2015;

"Channels Revenue Index 2017" means the index calculated when the combined ITV Total Revenue of ITV2, ITV3, ITV4, ITV Encore and ITV Be. for a particular month in 2017 are divided by combined ITV Total Revenue of ITV2, ITV3, ITV4, ITV Encore and ITV Be. in the equivalent month in 2016;

"Channels Impacts Index 2017" means the index for the relevant Target Audience calculated when the combined impacts for ITV2, ITV3, ITV4, ITV Encore and ITV Be. for a particular month in 2017 are divided by the equivalent month in 2016;

Children: means "Children" as defined by BARB;

CITV: means the digital channel of that name owned and operated by ITV DC;

CITV Breakfast: means the breakfast-time service on CITV;

Clearcast: means Clearcast Limited (Co. Reg. No. 06290241) or any superseding body;

Client and Clients: shall mean the advertising client and clients, as appropriate, of an Agency;

Commercial: shall have the meaning set out in clause 18.2 of the Broadcaster Terms and Conditions and the STV Broadcasters Terms and Conditions;

Competitive Media: means any competing TV channel and/or any other media;

Confidential Information: includes any information marked as such and any other information which might reasonably be assumed to be confidential in any form emanating from either party at any time and shall include any compilation of otherwise public information in a form not publicly known and the existence and contents of any agreement in respect of Airtime to which a Broadcaster or ITV Commercial is a party and any information, materials or data in any form produced by, for or on behalf of either party during the term of or pursuant to such an agreement but shall not include:

- (a) information which at the time of disclosure is publicly known or information which after disclosure becomes publicly known other than as a result of any breach of such agreement;
- (b) information which can be shown to be known to the other party, other than under a subsisting obligation of confidentiality, or restricted use, prior to the disclosure; or
- (c) information made available to the other party by a third party having a right to do so and who has not imposed on that party any subsisting obligation of confidentiality or restricted use in respect thereof;

Contra: means advertising value as sold by other media owners (including but not limited to radio advertising airtime, print advertising space and online advertising space);

Copy Rotation: means where a campaign consists of two or more separate Advertisements (or variations of the same), the agreed order for transmission and any changes thereto;

CPT or Cost per Thousand: means the price of Airtime which is sufficient to achieve 1,000 Impacts within a Target Audience calculated by Station Price;

CRRA Rules: means the Contracts Rights Renewal Adjudication Rules as referred to in the Undertakings;

CRRA Scheme: means the Contracts Rights Renewal Adjudication Scheme as referred to in the Undertakings;

Day Parts: means the segment times as specified from time to time by the Broadcaster or as set out in the Deal Arrangements;

Day Part Profile: means the allocation of TVR delivery by Day Part as set out in the Deal Arrangements;

Daytime: means 06:00 to 17:14 inclusive;

Deal Agreement: means together, the Deal Arrangements and Deal Conditions;

Deal Arrangements: means the specific commercial terms agreed between ITV Commercial and a Buyer for the procurement of Airtime during the Broadcast Revenue Period;

Deal Conditions: means ITV Commercial's standard terms and conditions for the procurement of Airtime during the Broadcast Revenue Period as set out at the following URL: <http://www.itvmedia.co.uk/legal/dealconditions2017> ;

Deal Delivery: means the TVRs which were agreed to be delivered under a Booking Agreement calculated by applying the Booking Spend to the discounted/premium prices agreed by the parties as set out in the Booking Agreement;

Demograph: means an audience type defined by age or social classification or a combination thereof as defined by BARB;

Digital Broadcasters: means ITV DC and ITV2 Limited;

DRTV: means Advertisement(s) which include a direct call to action to the viewer and transmitted in Daytime programming;

Dundee: means the south geographical transmission Part Area of STV North designated "dundee";

Duration Equivalent Impacts: means Impacts weighted in accordance with the following factors:

| Time Length | Weighting Factor |
|-------------|------------------|
| 10 seconds | $\frac{1}{3}$ |
| 20 seconds | $\frac{2}{3}$ |
| 30 seconds | 1 |
| 40 seconds | $1\frac{1}{3}$ |
| 50 seconds | $1\frac{2}{3}$ |
| 60 seconds | 2 |

Duration Weighted Broadcast Station Price (otherwise known as "DWBSP"): means the price calculated using the following formula:

$$\text{DWBSP} = \frac{\text{ITV Total Revenue for ITV Broadcasters or ITV Breakfast} \div 0.85 \text{ (Buyer Commission)}}{(\text{Duration Equivalent Impacts (for the relevant Target Audience)} \div 1000)};$$

Duration Weighted Station Price (otherwise known as "DWSP"): means the price calculated using the following formula:

$$\text{DWSP} = \frac{\text{Total Net Advertising Spot Revenue for Area} \div 0.85 \text{ (Buyer Commission)}}{(\text{Duration Equivalent Impacts (for the relevant Target Audience)} \div 1000)};$$

Early Peak: means 17:15 to 19:59 inclusive;

Edinburgh: means the geographical transmission Part Area of STV Central designated "edinburgh";

Emley/Sheffield: means the geographical transmission Part Area of Yorkshire designated "emley/sheffield";

End Break: means an Advertising break between two distinct Television programmes;

Event Specials: means programmes relating to major events which are determined by ITV Commercial;

Excluded Brands: means any excluded brands of any Client of the Buyer which are identified as such in the Deal Arrangements;

Excluded Business: means any excluded type of business of any Client of the Buyer which is identified as such in the Deal Arrangements;

Excluded Clients: means any excluded Clients of the Buyer which are identified as such in the Deal Arrangements;

Expiry Date: means either: (i) the date ITV Commercial confirms in writing to the Buyer that all Buyer Commitments have been delivered to its satisfaction or it is prepared to waive its right to recover an Underspend pursuant to clause 4 of the Deal Conditions; or (ii) the date ITV is in receipt of cleared funds following demand for an Underspend pursuant to clause 4 of the Deal Conditions;

First in Break / FIB / 1st in Break, Second in Break / 2nd in Break and Last in Break / LIB: mean respectively the first, second and last Advertisement in an Advertising break;

Force Majeure Event: means an event, inability or delay which is caused by circumstances beyond the relevant party's reasonable control and which cannot be cured by measures which might reasonably be taken in the course of that relevant party's business, including, without limitation, war or other action of military forces, terrorism, riot, civil commotion, sabotage, vandalism, accident, breakdown or damage to machinery or equipment or technology, fire, flood, acts of God, regulatory, legislative or administrative interference, ruling or decision, provided that no circumstance or cause shall be considered to be beyond the control of a party if it arises as a result of that party's failure to take reasonable care. For the avoidance of doubt, the loss of a Client or a Client's brand (including, without limitation, by virtue of insolvency or by virtue of a win by a third party Agency) by an Agency will not be deemed to be an event of Force Majeure;

Frequency: the number of times the Target Audience has an opportunity to see an Advertisement or Campaign;

Glasgow: means the geographical transmission Part Area of STV Central designated "glasgow";

Granada: means ITV Broadcasting Limited, (Co. No: 955957), the holder of the Channel 3 granada television broadcast licence;

Granada Area: means the geographical transmission Area of Granada;

Granada Broadcasters: means Anglia, Border, Granada, London Weekend, Meridian, Tyne Tees and Yorkshire;

Gross Broadcast Station Price (otherwise known as "GBSP"): means the price calculated using the following formula:

$$\text{GBSP} = \frac{(\text{ITV Total Revenue for ITV Broadcasters or ITV Breakfast} \div \text{Carlton gross up})}{(\text{Ratecard Equivalent Impacts (for the relevant Target Audience)} \div 1000)}$$

Gross Station Price (otherwise known as "GSP"): means the price calculated using the following formula:

$$\text{GSP} = \frac{(\text{Net Advertising Spot Revenue} \div \text{Carlton gross up})}{(\text{Ratecard Equivalent Impacts (for the relevant Target Audience)} \div 1000)}$$

Housewife: means "Housewife" as defined by BARB;

Housewives 16-54: means all Housewives between the ages of 16 and 54 inclusive;

Housewives ABC1: means all Housewives that fall within the socio-economic grade "ABC1";

Housewives with Children: means "Housewives with Children" as defined by BARB;

Impacts: means single viewings of Advertisements as reported by BARB;

Included Clients: shall have the meaning set out in the Deal Arrangements;

Individuals: means "Individuals" as defined by BARB;

Inhouse Channel: means any television service which includes advertisements for products and/or services, which is available to the public in the UK and which is not broadcast under a licence issued by the Independent Television Commission or Ofcom (including but not limited to the Pub Channel);

ITV Breakfast: means the national channel 3 breakfast-time service (broadcast pursuant to the national channel 3 breakfast-time licence), operated and controlled by ITV Breakfast Broadcasting Limited;

ITV Breakfast Broadcasting Limited: means ITV Breakfast Broadcasting Limited, (Co. No 07698963);

ITV Broadcasters: means Carlton Broadcasters, Granada Broadcasters, STV Broadcasters, Channel and UTV;

ITV plc Broadcasters: means Carlton Broadcasters and Granada Broadcasters;

ITV2: means the digital channel of that name owned and operated by ITV2 Limited;

ITV2 Limited: means ITV2 Limited (Co. No 1867871);

ITV3: means the digital channel of that name owned and operated by ITV DC;

ITV4: means the digital channel of that name owned and operated by ITV2 Limited;

ITV Be.: means the digital channel of that name owned by ITV2 Limited;

ITV Commercial: means a division of ITV Broadcasting Limited (Co. No. 955957);

ITV DC: means ITV Digital Channels Limited (Co. No. 3101815);

ITV Encore: means the digital channel of that name owned by ITVDC;

ITV Family: means the ITV Broadcasters, ITV2 Limited (in respect of ITV2/ITV4/ITV Be.), ITVDC (in respect of ITV3/CITV/ITV Encore) and ITV Breakfast Broadcasting Limited (in respect of ITV Breakfast);

ITV Group: means ITV Plc and its direct and indirect subsidiaries worldwide;

ITV London: means London Weekday and London Weekend;

ITV London Area: means London Area Weekday and London Area Weekend;

ITV Network: means ITV Network Limited (Co. No. 603893);

ITV Plc: means ITV Plc (Co. No. 4967001);

ITV Total Revenue: means the sum of Net Advertising Spot Revenue, Net Sponsorship Revenue and Net PPLD Revenue;

Kick Off Spot: means the first Spot in a Campaign;

Kids: means Children;

Late Booking Fee: means the additional fee applicable to any Booking accepted after the ABD as set out in the Deal Arrangements or Booking Form (as appropriate);

Late Copy: means Advertisement Copy that is received two Working Days or less before transmission;

Late Copy Surcharge: means the cost set out in the Booking Agreement payable by the Buyer for Late Copy;

Late Night: means 24:30 to 29:59 inclusive;

Late Peak: means 20:00 to 22:59 inclusive;

LIBOR: means the London Interbank Offered Rate of Interest;

London Area Weekday: means the geographical transmission Area of Carlton Broadcasting;

London Area Weekend: means the geographical transmission Area of LWT;

London Macro: means London Area Weekday and London Area Weekend;

London Weekday: means Carlton Broadcasting or such other company that holds the broadcasting licence to broadcast on the channel 3 service in the london region from 09:25 to 06:00 Monday to Thursday and 09:25 to 16:59 on Fridays;

London Weekend: means LWT or such other company that holds the broadcasting licence to broadcast on the channel 3 service in the london region between 17:00 Friday to 05:59 Monday excluding Saturday and Sunday 06:00 to 09:25;

LWT: means ITV Broadcasting Limited, (Co. No: 955957), the holder of the Channel 3 london weekend television broadcasting licence;

Macro Area: means a combination of Areas;

Market Rate: means a fair sum reasonably determined by the Broadcaster with reference to comparable situations, the trading position of the Broadcaster at the relevant point in time and the ability of the Broadcaster to accommodate the Buyer's campaign requirements;

Men: means all male Adults;

Men 16-24: means all Men between the ages of 16 and 24 inclusive;

Men 16-34: means all Men between the ages of 16 and 34 inclusive;

Men ABC1: means all Men that fall within the socio-economic grade "ABC1";

Meridian: means ITV Broadcasting Limited, (Co. No: 955957), the holder of the Channel 3 meridian television broadcast licence;

Meridian Area: means the geographical transmission Area of Meridian;

Meridian East: means the geographical transmission Part Area of Meridian designated "east";

Meridian South: means the geographical transmission Part Area of Meridian designated "south coast (hants)" and the geographical transmission Part Area of Meridian designated "thames valley";

Meridian South Coast (Hants): means the geographical transmission Part Area of Meridian designated "south coast (hants)";

Meridian Thames Valley: mean the geographical transmission Part Area of Meridian designated "thames valley";

Midwest Macro: means Wales and West, Westcountry and Central Area;

Multiplex Service: means a time shifted version of Channel 3, ITV Breakfast, ITV2, ITV3, ITV4, ITV Encore, ITV Be., and/or CITV where the output is broadcast one hour (or more) later than the output on the original service and which, in limited circumstances, may be broadcast at the same time as the original service;

Named Client: shall have the meaning set out in the Deal Arrangements;

Natural Delivery: means delivery of Advertisements on an even-handed basis (by reference to information published by BARB) when compared to the delivery of all Advertisements;

Net Advertising Spot Revenue: means monthly Spot Advertising revenue less any applicable Buyer Commission as declared by relevant individual Broadcaster(s) to Ofcom;

Net PPLD Revenue: means the net monthly product placement, licensing, online, mobile and digital advertising and sponsorship revenue of the ITV Group including without limitation video on demand and display advertising revenue;

Net Sponsorship Revenue: means net monthly broadcast sponsorship revenue of the relevant individual Broadcaster(s);

Non-approved Buyer: refer to definition of Approved Buyer;

Non-pre-emptible: means guaranteed to be shown at the agreed time and not capable of being transferred to any other time except by agreement with the Buyer or because of Optimisation and **Pre-emptible** shall be interpreted accordingly;

Non-Sport Specials: means unique programmes including but not limited to movie premieres, first run dramas and one-off programmes which are determined by ITV Commercial;

North Macro: means Border Area, Granada Area, Tyne Tees Area and Yorkshire Area;

Ofcom: means the Office of Communications or its successor;

Off Peak: refer to definition of Peak;

Optimal and Optimisation: means the most efficient manner in the reasonable opinion of the Broadcaster or ITV Commercial, using non-discriminatory and objective criteria, of matching demand and supply of Advertising and Airtime across all Buyers and of delivering the agreed audiences;

Part Area: means a part of a Broadcaster's Area or part of a Macro Area;

Partworks: means a weekly or other periodic themed publication;

Peak: means the agreed segments of prime time viewing and **Off Peak** shall be interpreted accordingly;

Platinum Specials: means premium programmes which are determined by ITV Commercial;

Position in Break: means any specific position within an Advertising break;

Post Peak: means 23:00 to 24:29 inclusive;

Postponed Airtime: shall have the meaning set out in clause 9.2 of the Broadcaster Terms and Conditions and the STV Broadcasters Terms and Conditions;

Postponement: means a postponement of Airtime booked under any Booking Agreement following a request for the same by the Buyer;

Pre-emptible: refer to definition of Non-pre-emptible;

Price(s): means the discounts and/or premiums set out in Schedule 1 of the Deal Arrangements;

Programme Select, Pick Your Own, or PYO: means the percentage of TVR delivery by Day Part for which ITV Commercial shall procure Spots in or around such programmes as the Buyer may select in writing by the Advance Booking Deadline;

Protected Contract: shall have the meaning set out in the Undertakings;

Pure Station Price (otherwise known as "PSP" or "Ratecard Weighted Price"): means the price calculated using the following formula:

$$\text{PSP} = \frac{\text{Total Net Advertising Spot Revenue for Area} \div 0.85 \text{ (Buyer Commission)}}{\text{(Ratecard Equivalent Impacts (for the relevant Target Audience) } \div 1000)}$$

Ratecard Equivalent Impacts: means Impacts weighted in accordance with the following factors:

| Time-Length | Weighting Factor (Granada Broadcasters, UTV and Channel) | Weighting Factor (Carlton Broadcasters and STV Broadcasters) | Weighting Factor (ITV2, ITV3 and ITV4, ITV Be and ITV Encore) | Weighting Factor (ITV Breakfast and CITV) |
|-------------|--|--|--|---|
| 10 Seconds | 0.600 | 0.500 | 0.500 | 0.500 |
| 20 Seconds | 0.800 | 0.830 | 0.830 | 0.850 |
| 30 Seconds | 1.000 | 1.000 | 1.000 | 1.000 |
| 40 Seconds | 1.333 | 1.333 | 1.330 | 1.333 |
| 50 Seconds | 1.667 | 1.660 | 1.660 | 1.666 |
| 60 Seconds | 2.000 | 2.000 | 2.000 | 2.000 |

Any Spot over 60 seconds will be weighted pro rata to the 60 second factor and when calculating PSP for all Granada Broadcasters such weighting will be discounted by 2.5%; for any Spot under 10 seconds prices shall be determined by ITV on a case by case basis;

Regional Package(s): means the regional bronze, silver, gold and platinum Spot packages sold by the ITV Broadcasters as set out in regional advertising rate cards issued by the ITV Broadcasters from time to time;

Registered Buyer: means a Buyer which is considered by a Broadcaster (in its reasonable opinion) to be an advertising agency with sufficient financial standing and client base to warrant the granting of a discount on invoices;

Share of Broadcast Revenue: means the minimum share of Broadcast Revenue which a Buyer agrees to spend or agrees to procure that its Clients (except Excluded Clients) will spend with the Broadcasters during the Broadcast Revenue Period as set out in the Deal Arrangements;

Simulcast: means simultaneous or substantially simultaneous transmission or re-transmission of any ITV Broadcasters', ITV2 Limited or ITV DC channel or ITV Breakfast by cable, satellite, mobile and broadband;

South East Macro: means Anglia Area and Meridian Area;

Specials: means Platinum Specials and/or Non-Sport Specials and/or Sport Specials;

Split Month Price: means any month where there is a different demand for Airtime across the month such that demand is at a significantly different level and price from the start to the end of the month, as determined at the Broadcaster's discretion (e.g. December);

Split Time-length Campaigns: means Advertising campaigns with more than one Time-Length;

Spot(s): means one specific portion of Airtime identified as available for purchase by a Broadcaster for Advertising;

Sport Specials: means major sporting event programmes, which are determined by ITV Commercial;

Standard Day Parts: means Daytime, Early Peak, Late Peak, Post Peak and Late Night;

Standard Time-lengths: 10 seconds or a multiple of 10 seconds;

Station Price(s): means the Duration Weighted Station Price, Pure Station Price or Gross Station Price or Duration Weighted Broadcast Station Price, Gross Broadcast Station Price, Broadcast Station Price or CBBCPT;

Strike Weight: means the amount of TVRs by day, week, month or other pre-determined duration;

Strike Weight Tolerance: means any maximum agreed deviation from the Strike Weight;

STV Broadcasters: means STV Central and STV North;

STV Broadcasters Terms and Conditions: means the STV Broadcasters' standard airtime sales terms and conditions for Bookings as set out at the following URL: <http://www.itvmedia.co.uk/legal/stvbroadcasterstermsandconditions2017> ;

STV Central: means STV Central Limited (Co. No. SC172149);

STV Central Area: means the geographical transmission Area of STV Central;

STV North: means STV North Limited (Co. No. SC35733);

STV North Area: means the geographical transmission Area of STV North;

Sub Demographs: means sub-divisions of Broad Demographs;

Tagged: means the situation where two or more Advertisements are joined back-to-back as if they were one Advertisement;

Target Audience: means a Demograph within a particular Area;

Television: means any service broadcast under a licence issued by Ofcom and includes: (i) any Multiplex Service of the same; (ii) any Simulcast of the same; and (iii) any high definition resolution version of the same;

Term: shall have the meaning set out in Section 2 of the Deal Arrangements;

Time-Length: means the duration of a Spot;

TVR: means one percent of the Target Audience purchased by the Buyer and **TVRs** (or parts thereof) shall be interpreted accordingly;

Tyne Tees: means ITV Broadcasting Limited, (Co. No: 955957), the holder of the Channel 3 tyne tees television broadcast licence;

Tyne Tees Area: means the geographical transmission Area of Tyne Tees;

Underspend: means the situation where the Buyer Spend is less than the Buyer Commitments as set out in the Deal Arrangements at the end of the Broadcast Revenue Period;

Undertakings: means the undertakings given by Carlton Communications Plc and Granada Plc to the Secretary of State for Trade and Industry dated 14 November 2003;

Universe: means the total number of individuals for a given target audience able to view television within a given licence region;

UTV: means UTV Limited (Co. No.NI004230);

UTV Area: means the geographical transmission Area of UTV;

Volume Commitment: means the commitment by the Buyer to spend or to procure that its Clients (except Excluded Clients) spend at least the amount (in cash) with the Broadcaster(s) as set out in the Deal Arrangements;

Wales: means ITV Broadcasting Limited, (Co. No: 955957), the holder of the Channel 3 wales television broadcast licence;

Wales Area: means the geographical transmission Area of Wales;

Wales and West: means the geographical transmission Area of Wales and the geographical transmission Part Area of West and South West designated "west";

West: means the geographical transmission Part Area of West and South West designated "west";

West and South West: means ITV Broadcasting Limited, (Co. No: 955957), the holder of the Channel 3 west and south west of england television broadcast licence;

West and South West Area: means the geographical transmission Area of West and South West;

Westcountry: means the geographical transmission Part Area of West and South West designated "westcountry";

West Macro: means Wales Area and West and South West Area;

Women: means all female Adults;

Women 16-24: means all Women between the ages of 16 and 24 inclusive;

Women 16-34: means all Women between the ages of 16 and 34 inclusive;

Women ABC1: means all Women that fall within the socio-economic grade "ABC1";

Working Day: means any day other than a Saturday or Sunday or any other day which is a public or bank holiday in England;

Yorkshire: means ITV Broadcasting Limited, (Co. No: 955957), the holder of the Channel 3 yorkshire television broadcast licence; and

Yorkshire Area: means the geographical transmission Area of Yorkshire.